

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JANUARY 7, 2009

DEPARTMENT: CITY MANAGER'S OFFICE**DIRECTOR:** DOUGLAS SELBY☐ Consent ☒ Discussion**SUBJECT:**

ADMINISTRATIVE:

Discussion and possible action on offering the Voluntary Separation Program to certain full time regular non-probationary employees

Fiscal Impact☒**No Impact**☐**Augmentation Required**☐**Budget Funds Available****Amount:****Funding Source:****Dept./Division:****PURPOSE/BACKGROUND:**

The City has proposed offering a Voluntary Separation Program (VSP) to certain full time regular non probationary employees. The application period for the VSP will run from January 7, 2009 to February 20, 2009. Eligible employees must separate employment with the City by March 20, 2009. This voluntary separation program will result in an undetermined savings in salary and benefit costs to the General Fund and potentially save jobs of some employees scheduled for layoffs. It is recommended that the VSP be approved by Mayor and Council subject to the final review of participants by the City Manager for each specific employee's participation.

RECOMMENDATION:

To approval the Voluntary Separation Program

BACKUP DOCUMENTATION:

1. VSP Time line
2. Voluntary Separation Program Eligibility Criteria
3. Submitted at Meeting – Voluntary Separation Program by staff

Motion made by GARY REESE to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN,
GARY REESE, STEVEN D. ROSS, DAVID W. STEINMAN; (Against-None); (Abstain-None);
(Did Not Vote-None); (Excused-None)

Minutes:

DEPUTY CITY MANAGER ORLANDO SANCHEZ explained that the Voluntary Separation

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Program (VSP) is part of the Fundamental Service Review (FSR). The VSP had two objectives: to reduce operation costs and to maintain appropriate staffing levels to meet the needs of the City's constituents. Each application for the VSP would be carefully reviewed by each Department's Director as these positions would remain vacant for two years or eliminated. The City Manager could consider filling critical positions earlier. He thanked CLAUDETTE ENUS, JUDY TUTTLE, SUE BROWN and ANN RUBERTINO-BECK for putting this program together in a very short time period.

DEPUTY CITY MANAGER SANCHEZ described the employees who would be eligible for the VSP and the exclusion of probationary employees and full-time public safety employees with less than five years of service. The benefits would be based on a sliding scale and would not exceed \$40,000 per individual. He noted that employees would have several options for receiving benefits and described each option. This program is intended as an incentive for employees on the cusp of leaving the City.

CLAUDETTE ENUS, Director of the Human Resources (HR) Department, stated that if the VSP is approved, HR staff was prepared to provide information to employees through several presentations, program packets available in the department and information posted on the Intranet. She identified the enrollment period from January 7 through February 20 and the withdrawal and amendment period ending February 27, 2009. Applications would be reviewed by the Directors from February 27 to March 6 with the Executive team reviewing the submitted applications from March 6 to March 13. Employees would be notified on March 16 of the disposition of their applications and any resulting terminations from the City would take place no later than March 20, 2009.

DEPUTY CITY MANAGER SANCHEZ explained that the program timelines had been moved forward so it could be offered to employees that might be facing layoffs.

MS. ENUS stated the benefit package for an employee would be determined through the Calculation workshop that was part of the VSP application. She estimated 100 or less employees would be eligible for the program.

Regarding the costs savings the City would realize from this program, DEPUTY CITY MANAGER SANCHEZ stated that a previous voluntary separation had resulted in a 20 percent savings and had recovered its costs within three months. He suggested that the cost savings from this program could be greater because some positions would not be filled. This program was also being rolled out while the City still has the financial resources to support it, noting that a similar program may not be offered in the future. An employee could appeal a denial of their application to the City Manager Office, pointing out the City Manager also retained the right to hire a person at a lower rate to fill that position.

COUNCILMAN WOLFSON observed that any employee who was eligible for the program had several options for disbursement of the benefit package, including purchase of service time in the Public Employees' Retirement System (PERS). DEPUTY CITY MANAGER SANCHEZ pointed out that vested City employees could purchase service time directly from PERS at any

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time.

COUNCILMAN REESE expressed his support of the program and encouraged employees to take advantage of it.

